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3	STEVE TUTTLE RENO JUSTICE COURT	
4	IN THE JUSTICE COURT OF INCLINE TOWNSHIP	
5	IN AND FOR THE COUNTY OF WASHOE, STATE OF NEVADA	
6	STATE OF NEVADA,	000 2017073576
7	Plaintiff,	Case No. 2013 073576
8	v.) Dept. No
9	JOHN LANE SHADEK,	
10	Defendant.	CRIMINAL COMPLAINT
11		

The State of Nevada by and through CATHERINE CORTEZ MASTO, Attorney General, and ERIC NICKEL, Senior Deputy Attorney General, complains and charges JOHN LANE SHADEK, the above-named defendant, with having committed the offenses of SECURITIES FRAUD (2 counts) committed against a person 60 years of age or older, a violation of NRS 90.570(2) and/or (3), NRS 90.650(1) and NRS 193.167(2) and THEFT (1 count) committed against a person 60 years of age or older, a violation of NRS 205.0832(1), NRS 205.0835(4) and NRS 193.167(2), within Incline Township, Washoe County, Nevada, committed as follows:

COUNT I

SECURITIES FRAUD

a Category B Felony in violation of NRS 90.570(2) and/or (3), NRS 90.650(1) and NRS 193.167(2)

That the defendant, JOHN LANE SHADEK (hereinafter "SHADEK"), did knowingly and unlawfully, in connection with the offer or sale of a security, make an untrue statement of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading in the light of the circumstances

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under which they were made; and/or engaged in an act, practice or course of business which operates or would operate as a fraud or deceit upon a person, in the following manner: that on or about September 1, 2011, in Incline Village, Washoe County, Nevada, Maryanne Ingemanson, a person 60 years of age or older, invested \$127,500.00 with SHADEK, with a check made payable to Capitol Funding Investments. LLC, an entity controlled solely by SHADEK, in exchange for a Promissory Note personally guaranteed by SHADEK and his business partner, RON STOVER (hereinafter "STOVER"), and in offering and/ or selling the investment SHADEK made the following untrue statements of material fact and/ or material omissions:

- SHADEK assured Ingemanson he would pay the investment money a. back, with interest, within 45 days, which he failed to do;
- b. and/or SHADEK told Ingemanson the funds would be used for a business transaction and thereafter used approximately \$17,500.00 for his personal expenses and transferred the remaining amount to various bank accounts and entities controlled by STOVER;
- and/or SHADEK failed to inform Ingemanson that he and STOVER C. were in litigation over the default of a \$300,000.00 promissory note, with similar terms as the note issued to Ingemanson, issued one year earlier to another elderly Incline Village resident:
- d. and/or SHADEK failed to inform Ingemanson that he and STOVER were in default, as of November 15, 2010, on a loan for \$858,140.24 from GC-REOF I, LLC;
- e. and/or SHADEK failed to inform Ingemanson that STOVER was in litigation for defaults on loans, security agreements and promissory notes in excess of \$1,000,000.00, made by BETA Capital, LLC, which SHADEK and STOVER had personally guaranteed.

After obtaining the investment funds from Ingemanson, SHADEK used approximately \$17,500.00 for his personal expenses, transferred the remaining amount

to various bank accounts and entities controlled by STOVER, and has only returned \$5,000.00 of the funds invested by Ingemanson.

COUNT II

SECURITIES FRAUD

a Category B Felony in violation of NRS 90.570(2) and/ or (3), NRS 90.650(1) and NRS 193.167(2)

That the defendant, SHADEK, in connection with the offer of a security, did knowingly and unlawfully make an untrue statement of a material fact and/or omit to state a material fact necessary in order to make the statement made not misleading in

That the defendant, SHADEK, in connection with the offer of a security, did knowingly and unlawfully make an untrue statement of a material fact and/or omit to state a material fact necessary in order to make the statement made not misleading in the light of the circumstances under which it was made; and/or engaged in an act, practice or course of business which operates or would operate as a fraud or deceit upon a person, in the following manner: that on or about August 31, 2012, in Incline Village, Washoe County, Nevada, SHADEK solicited a \$200,000.00 investment from Maryanne Ingemanson, a person 60 years of age or older, in order to invest in a company called Xtreme Iron, LLC and/or Xtreme Iron Holdings, LLC, by making an investment in Capital Funding Investments, LLC, an entity controlled solely by SHAEDK, which would in turn own a portion of Xtreme Iron, LLC, and/or Xtreme Iron, Holdings, LLC, said investment to be secured by equipment owned by Xtreme Iron, LLC, and/or Xtreme

a. SHADEK failed to inform Ingemanson of the risks involved in this investment, to include that Xtreme Iron Holdings, LLC, had filed for Chapter 11 Bankruptcy approximately two and a half months prior to this solicitation and that Xtreme Iron, LLC, filed for bankruptcy approximately one and a half months prior to this solicitation.

COUNT III

THEFT

a category B felony in violation of NRS 205.0832(1), NRS 205.0835(4) and NRS 93.167(2)

That the defendant, SHADEK, did willfully, knowingly and without lawful authority. control the property of another person with the intent to deprive that person of the property and/or converted and/or controlled without authorization the property of another entrusted to him for a limited use and/ or obtained property of another by making a material misrepresentation with the intent to deprive that person of her property, in an amount in excess of \$3,500.00, in the following manner: that on or about September 1, 2011, in Incline Village, Washoe County, Nevada, SHADEK solicited and received from Maryanne Ingemanson, a person 60 years of age or older, a check in the amount of \$127,500.00, made out to Capital Funding Investments, LLC, an entity controlled solely by SHADEK, and controlled this money with the intent to deprive Ingemanson of the money; and/or SHADEK converted and/or controlled without authorization approximately \$17,500.00 of the money given to him by Ingemanson by using it to pay his personal expenses, when he told her it was to further a business transaction; and/or SHADEK obtained the \$127,500.00 from Ingemanson by making a material misrepresentation in that he failed to inform Ingemanson of the extent of his SHADEK returned only \$5,000.00 of the \$127,500.00 he obtained from debts. Ingemanson.

All of which is contrary to the form, force and effect of the statutes in such cases made and provided, and against the peace and dignity of the State of Nevada.

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Office of the Attorney General 5420 Kietzke Lane, Suite 202 Reno, NV 89511 WHEREFORE, the undersigned complainant requests that a Warrant be issued so that the Defendant may be hailed into Court and answer to the charges according to law.

DATED this 5^{h} day of August, 2013.

CATHERINE CORTEZ MASTO Attorney General

By:

Senior Deputy Attorney General

Nevada Bar No. 5439

Workers Compensation Fraud Unit

5420 Kietzke Lane, Suite 202

Reno, Nevada 89511 (775) 688-1818

ATTORNEY FOR THE STATE OF NEVADA

\$60,000